

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Hertzberg Analyst: Marion Mann DeJong Bill Number: AB 473

Related Bills: See Legislative History Telephone: 845-6979 Amended Date: 05/12/1999

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Manufacturers' Investment Credit/Delete Repeal Date To Extend Indefinitely

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended April 14, 1999.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.
- ☒ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 18, 1999, STILL APPLIES.
- ☐ OTHER - See comments below.

### SUMMARY OF BILL

This bill would remove the repeal date from the Manufacturers' Investment Credit (MIC), extending the credit indefinitely.

### SUMMARY OF AMENDMENT

**The May 12, 1999, amendment** made department recommended changes and added co-authors to the bill. Except for the technical considerations, the department's analyses of the bill as introduced February 18, 1999, and as amended April 14, 1999, still apply. Department staff has identified the following technical consideration that was inadvertently omitted from the department's prior analysis. In addition, the Board Position is reiterated below.

### TECHNICAL CONSIDERATION

The May 12, 1999, amendment resolved the department's technical consideration regarding operative dates caused by the renumbering of subdivisions by inserting the chapter numbers of the statutes that originally added the subdivisions. The change was made to the Bank and Corporation Tax Law; however, a corresponding change was not made to the Personal Income Tax law (PITL). Amendments 1 and 2 would add the chapter numbers to the PITL.

### BOARD POSITION

Support.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to support this bill as introduced February 18, 1999.

#### Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Department/Legislative Director Date

**Johnnie Lou Rosas 5/21/1999**

Marion Mann DeJong  
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FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 473  
As Amended May 12, 1999

AMENDMENT 1

On page 14, modify lines 29 and 30 as follows:

(i) The amendments made by ~~the act adding this subdivision~~ Chapter 954 of the Statutes of 1996 shall be operative for taxable years beginning

AMENDMENT 2

On page 14, modify lines 33 and 34 as follows:

(j) The amendments made by ~~the act adding this subdivision~~ Chapter 323 of the Statutes of 1998 shall be operative for taxable years beginning